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22 November 1954

**SOVIET - YUGOSLAV RELATIONS**

- I. Last Sunday, the recently intensified Soviet effort to woo Yugoslavia reached a new climax when four of the top Soviet leaders--Malenkov, Khrushchev, Molotov and Bulganin--toasted both Marshal Tito and the Yugoslav Communist Party at an embassy reception in Moscow. The toasts constituted the first direct Soviet "approval" of the "heretics" of Communism since the 1948 split. They were a high point in Moscow's campaign to improve relations with Yugoslavia, which began shortly after Stalin's death, but remained superficial until late this summer.
  - A. Campaign started when Soviet Union appointed ambassador to Belgrade in June 1953.
  - B. Since then, some Satellites have also established full diplomatic relations, made modest trade agreements.

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- C. Border incidents (at high level until mid-'53) had virtually ceased by '54.**
- B. Orbit propaganda critical of Yugoslavia gradually diminished.**

**II. Last three months have revealed surprising new aspects to Moscow's approach.**

- A. In mid-September, Moscow propaganda started selectively quoting Yugoslav press and leaders, to give impression of Yugoslav support for Soviet policy.**
- B. Anti-Tito propaganda virtually ceased throughout Orbit.**
- C. On 1 October, a token trade agreement was signed between Moscow and Belgrade trade agencies, and further trade talks were scheduled. (Orbit trade now only 4% of Yugoslavia's total. US embassy Belgrade thinks such trade could eventually top prewar--25%.)**

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- D. At 10th anniversary Belgrade liberation (20 Oct), Moscow, for first time since '48 break, gave significant credit to part played by Yugoslav partisans.**
- E. However, the 28 November toast constitutes the first recognition, that Tito himself, and his party, are no longer publicly to be "criminals" in the Communist world.**

**III. The Yugoslavs expressed satisfaction with these Soviet moves, interpreting them as a victory for their post-'48 policy. However, they have apparently taken little initiative in this "normalization," although proclaiming a willingness for it on an equal basis.**

- A. Have now agreed to allow Soviet commercial planes to resume overflights to Albania.**
- B. Have agreed to negotiate for reciprocal distribution of Soviet and Yugoslav films, and have already exchanged cultural and sports delegations.**

**IV. Present Yugoslav intentions seem to be attainment of**

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position of independence between the West and the Soviet Orbit, since cooperation with both sides brings the benefits of Western economic and military aid and of restored political respect in the East.

A. Since early summer 1954, Yugoslavs have held that

"a certain equilibrium of power has been created whereby the cold war--previously in danger of developing into an open conflict--has become an armed peace, where East-West conferences can search for a way out of the situation."

B. Yugoslavs consider that threat of aggression from

USSR has diminished and that Soviet policy of "relaxing tension" in Europe is permanent, and another reversal of Stalinism forced on Soviet leaders by internal difficulties.

C. Yugoslavs want the West to take every opportunity to talk

with the Soviet Union about problems of international

concern, but without letting down its guard of halting

**its legitimate efforts at defense.**

**1. This dualism reflected in Yugoslav reply to the Soviet bid to Moscow conference. Approved of idea, but viewed timing as propaganda gesture.**

**Thus, did not go.**

**D. Tito has explicitly stated (16 Oct) that he will not "go back to Moscow." In conversations with Stassen and US Ambassador Riddleberger he has called such talk "arrant nonsense."**

**E. Has specified that Yugoslavia will not cut its military expenditures and that "normalization" with Orbit will not affect development of Balkan Alliance.**

**F. Yugoslavs have recently showed a willingness to cooperate with the US in various technical reconnaissance efforts directed at the Satellites--even to the extent of allowing overflights by US planes bearing Yugoslav markings.**

- G. Yugoslavs approve of efforts at unifying Europe, but feel that such efforts should include cultural and economic goals as well as military goals. See more potentiality in WEU than in NATO--which they castigate as primarily anti-Communist.**
- V. Increased tempo of Soviet activity apparently stems from a reevaluation of its policy towards Yugoslavia in which Moscow probably concluded that Yugoslavia's unique political position made it one of the most vulnerable countries in the Western camp. While Soviet leaders may hope to bring Belgrade back eventually into the Orbit, their immediate goal is probably to break up Tito's ties with the West.**
- A. Moscow must realize that its past "normalization" efforts yielded little. It probably considers that new moves are needed to counterbalance growing Yugoslav ties with West--strengthened in recent**

months by Balkan military alliance and Trieste settlement.

- B. While Soviet gestures toward Yugoslavia have generally fitted the conciliatory pattern in use throughout Europe, the recent campaign has been intensified and may now be approaching crucial ideological and doctrinal points of dispute.
- C. Offering whatever bait they feel is not too costly, the Soviet leaders may feel they can accomplish several purposes: probe the responses of the "deviationist" regime; prepare the ground for any future offers; inflame Western suspicions of Tito; create dissension within the country.
- D. Moscow may plan eventually to offer Tito some real bait for Eastern orientation, but no signs <sup>yet</sup> of a major serious concrete offer--which it probably expects would be rejected now.



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**K. Moscow would probably first continue to improve atmosphere by direct statements directed towards the Yugoslavs, such as the toasts, as well as by propagandizing internal Orbit developments that would appeal to the Yugoslav concept of independent communism.**

**VI. Yugoslavia's self-interest would appear to preclude a return to the Eastern camp and, in fact, to require cultivation of its position of independence.**

**A. Tito's present position has given him practically a Western guarantee of national security as well as military and economic aid, without an infringement on Yugoslavia's independence or internal affairs. Infringement by the USSR was a major cause of the 1948 break.**

**B. Tito's hopes for increased prestige, both with West European Socialist parties and with neutral countries, would be destroyed by a return to the Orbit. The**

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**importance the Yugoslavs have attached to cooperation with such "in-between" elements is indicated by the press attention given Tito's forthcoming visit to India.**

- C. The Yugoslavs see in recent Soviet moves (like the withdrawal from satellite joint companies and the agreement with the Chinese on Port Arthur) an indication that USSR recognizes it must interfere less in internal affairs of other states.**
- D. Tito and his leaders still, however, appear to retain enough distrust of the USSR to discount any Soviet offers, even one that might go so far as to promise a relationship as independent as that of Peking to Moscow.**
- E. The Tito regime nonetheless may believe that improved relations with the Soviet bloc can be used to better its bargaining position with the West.**